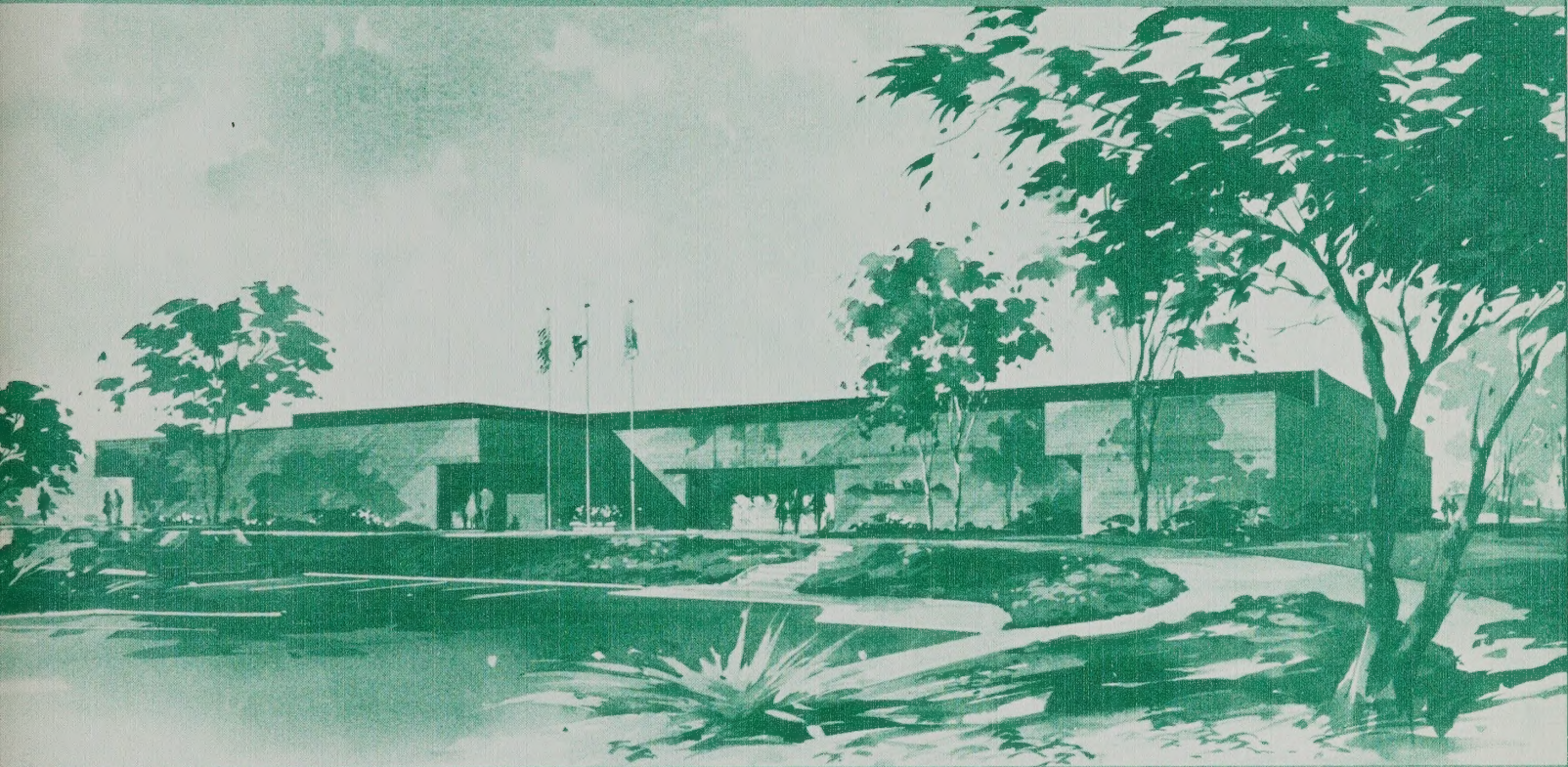


77 02228

Official Statement



Simi Valley Civic Center Authority

Ventura County, California

Public bldgs Civic center
" " " " " " " "
" " " " " " " "
Public debts Munic " "
Investments Public secur
[Stone + Youngberg " "]

\$1,200,000

Simi Valley Administration Facilities Lease Revenue Bonds

INSTITUTE OF GOVERNMENTAL
STUDIES LIBRARY

JUN 13 1977

UNIVERSITY OF CALIFORNIA

modyp

Bids to be received by the City Clerk of the City of Simi Valley in the City Council Chambers, City Hall, 3200 Cochran Street, Simi Valley, California 93065 at or before 4:00 PM P.D.S.T., Monday, June 27, 1977.



Digitized by the Internet Archive
in 2026 with funding from
State of California and California State Library

<https://archive.org/details/C123320716>

SIMI VALLEY CIVIC CENTER AUTHORITY

May 31, 1977

TO WHOM IT MAY CONCERN:

The purpose of this Official Statement is to supply information to prospective bidders on and buyers of \$1,200,000 of Simi Valley Civic Center Authority 1977 Administration Facilities Lease Revenue Bonds, authorized and to be issued for the purpose of paying the costs of constructing and financing an administration building, including expenses in connection with bond issuance.

The material contained in this Official Statement was prepared by Stone & Youngberg Municipal Financing Consultants, Inc., in the capacity of financing consultants to the Simi Valley Civic Center Authority. (Such firm will receive compensation from the Authority contingent upon the sale and delivery of the Bonds.) Summaries herein presented of the Resolution of Issuance, Notice Inviting Bids, proposed project improvements, financial and economic data do not purport to be complete, and reference is made to the documents on file with the undersigned for further information. Statements which involve estimates or opinions, whether or not expressly so described herein, are intended solely as such and are not to be construed as statements of fact.

The Official Statement does not constitute a contract with the buyers or holders, from time to time, of the Bonds. The Resolution of Issuance, which does constitute such a contract, is available to any prospective bidder on request from the undersigned.

No dealer, broker, salesman or other person has been authorized by the Authority to give any information or to make any representations other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The execution and distribution of this Official Statement have been duly authorized by the Authority.

SIMI VALLEY CIVIC CENTER AUTHORITY

Richard Malcolm, Secretary

77 02228

INSTITUTE OF GOVERNMENTAL STUDIES LIBRARY
109 PHILOSOPHY HALL
UNIVERSITY OF CALIFORNIA
BERKELEY, CA 94720

SIMI VALLEY CIVIC CENTER AUTHORITY
Ventura County, California

BOARD OF DIRECTORS

James N. Smith, Chairman

Ted Grandsen

Dave Sadler

VENTURA COUNTY BOARD OF SUPERVISORS

Ted Grandsen, Chairman

David Eaton
Edwin A. Jones

Thomas E. Laubacher
J. K. "Ken" Mac Donald

CITY OF SIM VALLEY CITY COUNCIL

William T. Carpenter, Mayor

Ginger Gherardi
Howard G. Marohn

David Rees
James N. Smith

CITY STAFF

Richard Malcolm, City Manager
Verne Tindell, City Attorney

Loron Cox, Director
of General Services

PROFESSIONAL SERVICES

O'Melveny & Myers, Los Angeles
Bond Counsel

Kurt Meyer & Associates, Los Angeles
Architect

Stone & Youngberg Municipal Financing Consultants, Inc.
Los Angeles and San Francisco

United California Bank, Los Angeles and San Francisco
Trustee

Manufacturers Hanover Trust Company, New York, New York
The Northern Trust Company, Chicago, Illinois
Paying Agents

THE DATE OF THIS OFFICIAL STATEMENT IS MAY 31, 1977

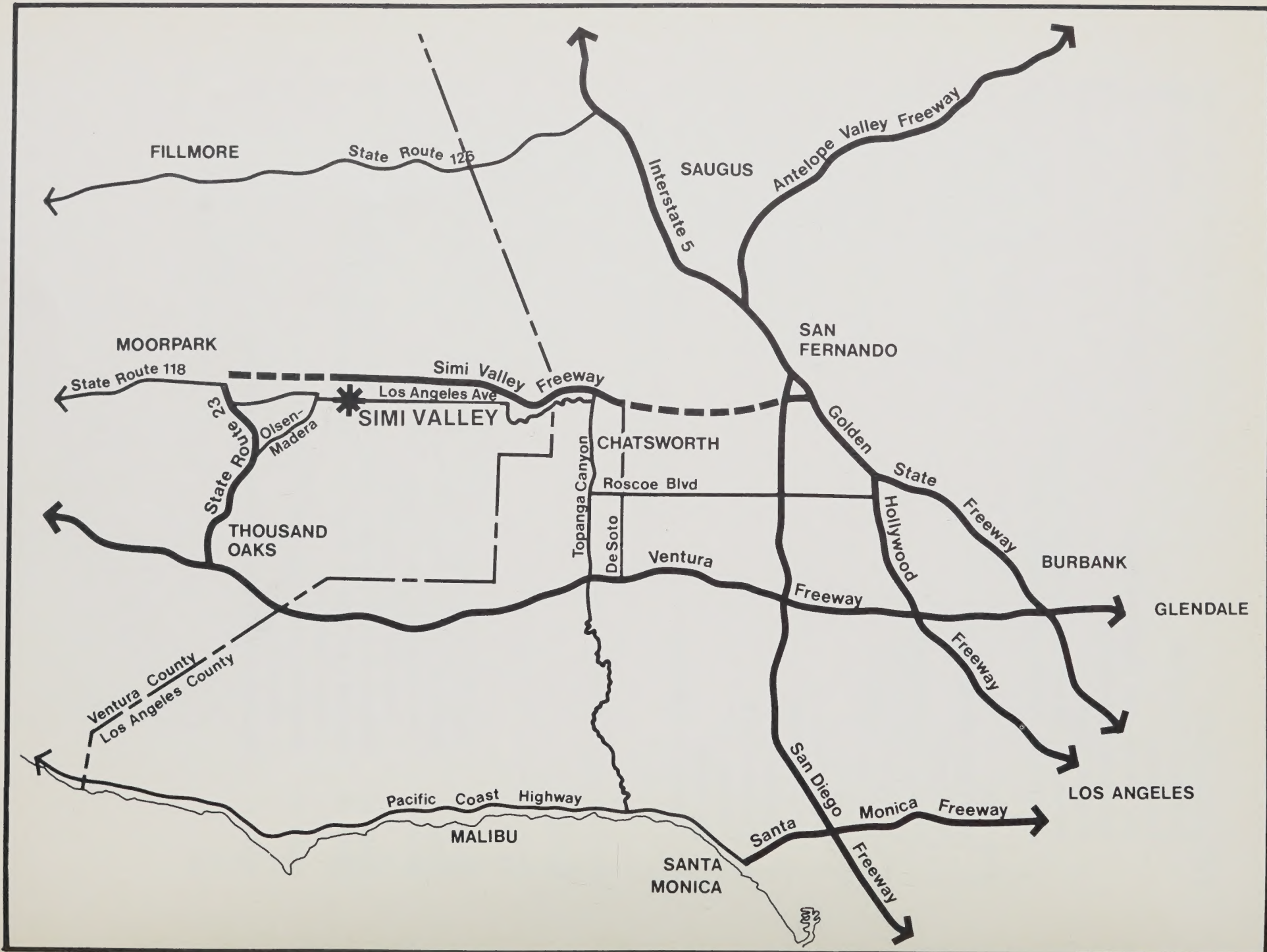
CONTENTS

INTRODUCTION	1
THE AUTHORITY	3
Joint Powers Agreement	3
Organization	3
Powers and Purposes	4
The Trustee	4
THE BONDS	5
Authority for Issuance	5
Sale of Bonds	5
Description of the Bonds	5
Redemption Provisions	5
Schedule of Maturities	6
Notice of Redemption	6
Registration	6
Legal Opinion	7
Tax Exempt Status	7
Eligibility as Security for Public Funds	7
Eligibility for National Banks	7
Purpose of Issue	7
Security	8
Ground Lease and Sublease	8
Creation of Special Funds	9
Disposition of Bond Proceeds	10
Deposit and Application of Revenues	11
Additional Bonds	12
Insurance Provisions	13
Investment of Funds	14
Other Covenants	14
Remedies Upon Default	15
Supplemental Resolutions	16
THE PROJECT	17
The Civic-Cultural Center	17
Administration Facilities	17
Estimated Project Costs	18
Estimated Annual Bond Service	19

FINANCIAL DATA	21
Assessed Valuations	21
Tax Rates	23
Tax Levies and Delinquencies	23
Employee Retirement	24
Balance Sheets	25
Revenues, Expenses and Fund Balances	25
Direct and Overlapping Bonded Debt	25
THE CITY	32
Municipal Government	32
Population	33
Housing Characteristics	34
Commercial Activity	35
Building Activity	35
Industry	38
Employment	38
Family Income	40
Banking	41
Transportation	41
Utilities	42
Education	42
Community Facilities	43

TABLES

Table 1.	Estimated Administration Building Project Costs	19
Table 2.	Estimated Annual Bond Service	20
Table 3.	Comparative Balance Sheets - All Funds June 30, 1975 and 1976	26
Table 4A.	General Fund Revenues, Expenses and Fund Balances	28
Table 4B.	Special Assessment Fund Revenues, Expenses and Fund Balances	29
Table 4C.	Revenues, Expenses and Fund Balances of Other Funds	30
Table 5.	Statement of Estimated Overlapping Debt	31



INTRODUCTION

The Simi Valley Civic Center Authority was formed in March of 1977 under provisions of a joint exercise of powers agreement between the City of Simi Valley and the County of Ventura. The Authority was formed for the purpose of constructing and financing public buildings such as a city hall, public library and administration buildings to be leased to the City and County. The agreement will remain in effect for 50 years from its date or until payment, or provision for payment, of all bonds of the Authority has been made, whichever is first.

The Authority exists as a separate public agency under the laws of the State of California, with powers established by the joint exercise of powers agreement. It provides that the City will deed the library site to the County, with a right of reversion after bonds to finance the library have been repaid, if the County ceases to use the site for library purposes; that the City or County, as appropriate, will lease the sites for City or County facilities to the Authority; that the Authority will issue revenue bonds to finance construction of the facilities and will let contracts for the construction through competitive bidding; and that the Authority will sublease the constructed facilities to the City or the County.

Plans call for the Authority to issue approximately \$2,500,000 of lease-revenue bonds to finance a library which will be leased to the County. However, there will be no parity between the library bonds and the bonds currently being offered for sale because each will be secured by a pledge of rental revenues due under a separate lease and separate funds will be maintained in connection with each bond issue.

The bonds currently being offered for sale will be issued to finance an administration building which will be leased by the Authority to the City. The City plans to sublease a portion of the building to the State of California for the period of time during which the City expects there to be surplus space available.

The building site will be leased by the City to the Authority pursuant to the Administration Facilities Ground Lease. The site and the improvements will be leased back to the City by means of the Administration Facilities Sublease. The sublease is dated July 1, 1977, and will extend over a term ending on July 1, 2012, or on the date all of the bonds issued to finance the Administration Facilities have been retired, whichever is earlier. It will provide that upon completion of the project, or on March 1, 1978, whichever is later, the City will pay an annual base rental which will be fixed at an amount sufficient to meet the principal and interest becoming due on the Authority bonds of this issue. The sublease will also provide for the City to pay an additional rental to meet the operating expenses of the Authority.

Under the sublease, the City covenants to include the total rental in its budget each year and to appropriate the necessary money for the rental payment.

To further insure prompt payment, the following additional safeguards will be provided:

1. Various types of insurance will be provided, including fire and extended coverage, earthquake and public liability and property damage protection, plus business (rent) interruption insurance equal to one year's base rental and additional rental.
2. The Authority received firm construction bids for the project on May 20, 1977, and it is anticipated that the construction contract will be executed on, or about, July 1, 1977. The contract documents provide for completion of construction within a maximum of 127 working days from the date of execution. If construction is not completed within the maximum time allotted, the contractor will be subject to damages at the rate of \$250 per day for the next 60 calendar days and, after the expiration of 60 days, to additional damages equal to 1/365th of the amount of base rental due under the Administration Facilities Sublease for each additional calendar day by which completion is delayed, except in the event of unavoidable delays, as provided in the construction contract, a copy of which is on file with the Secretary of the Authority. A 100 percent performance bond and 100 percent labor and materialmen's bonds are to be posted by the contractor to assure completion.
3. A policy of title insurance with an endorsement insuring the validity of the lease will be obtained prior to bond delivery.

The project is subject to the provisions of the California Environmental Quality Act commencing with Section 21000 of the Public Resources Code. Pursuant to the Act a hearing was held on the project and a Notice of Determination with respect to the Civic/Cultural Center was filed with the Ventura County Clerk on June 3, 1977. Under the Act a challenge to the findings may be made within 30 days of the filing of the Notice of Determination. Such a challenge could delay the project to the extent that the Authority could not deliver the bonds within the 60 days following the receipt of bids provided for in the Notice Inviting Bids. Furthermore, if such a challenge were upheld it could result in a major modification or abandonment of the project. However, it may be noted that no objections to the project were raised at the hearing on the Environmental Impact Report.

THE AUTHORITY

JOINT POWERS AGREEMENT

The Simi Valley Civic Center Authority was created by a Joint Exercise of Powers Agreement between Ventura County and the City of Simi Valley. The Agreement was made under provisions of Article 1, Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6500. A copy of the Agreement is included among the documents accompanying this official statement.

The purpose of the Agreement is to provide for the construction and financing of a civic center in the City of Simi Valley containing both City and County facilities. The bonds currently being offered for sale will be used to finance construction of an office building which will be leased to the City. The State of California has agreed to sublease a portion of the building from the City.

The Joint Exercise of Powers Agreement is dated March 22, 1977, and has a stated term of 50 years, or until payment, or provision for payment, of all Authority revenue bonds has been made.

ORGANIZATION

The Authority exists and acts as a separate public entity. It has the power to acquire, construct, finance and lease public buildings with facilities and appurtenances necessary or convenient therefor. The Authority is governed by a three-member governing board, one appointed by the County, one by the City and the third appointed by the other two members. The members of the governing board are:

James N. Smith, Chairman
City Councilman, Aerospace Contracts Administrator

Ted Grandsen
Chairman, Ventura County
Board of Supervisors

Dave Sadler
Corporate Financial Officer

The City Clerk, the City Treasurer, and the City Director of General Services, respectively, are ex-officio the secretary, treasurer and controller of the Authority, except that the County Auditor-Controller and the County Treasurer, respectively, may be designated to act as the controller and treasurer of the Authority with respect to the proceeds of any bonds issued to finance facilities to be leased to the County. The agreement provides for the County Counsel or City Attorney to advise the Authority upon request.

POWERS AND PURPOSES

The Authority has the power to lease the site for the civic center, to acquire, construct, operate and maintain the civic center, to incur debts and obligations which are not debts or obligations of the City or the County, including the power to issue revenue bonds to finance the construction of the civic center, and to sue and to be sued.

The Joint Exercise of Powers Agreement provides for the Authority to contract for the construction of the civic center to be financed by the proceeds of the revenue bonds. The City staff will administer the contracts for the construction of the facilities to be leased to the City. The proceeds of the bonds issued to finance the facilities to be leased to the City are to be held by the Trustee and disbursed on demand.

THE TRUSTEE

The Authority has appointed the United California Bank as Trustee. The Trustee will receive, administer and disburse funds of the Authority, pursuant to the resolution of the Authority providing for the issuance of its bonds, and act as paying agent for the bonds.

THE BONDS

AUTHORITY FOR ISSUANCE

The \$1,200,000 of 1977 Simi Valley Administration Facilities Lease Revenue Bonds are to be issued pursuant to Resolution No. 2 of the Simi Valley Civic Center Authority, adopted on May 31, 1977. The bonds will be issued pursuant to Article 2, Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6540.

SALE OF THE BONDS

Bids will be received by the City Clerk of the City of Simi Valley at 4:00 P.M., Monday, June 27, 1977, in the City Council Chambers, City Hall, 3200 Cochran Street, Simi Valley, California 93065. It is expected that the bids will be referred to the Authority for action at a meeting to be held later on the same day. Details as to the terms of sale are included in the notice inviting bids approved on May 31, 1977.

DESCRIPTION OF THE BONDS

The bonds will be dated July 1, 1977, and will be issued in denominations of \$5,000 each, numbered 1 through 240. The bonds will be payable on July 1 of each of the years and in the amounts shown in the Schedule of Maturities on the following page.

Interest will be payable semiannually on January 1 and July 1 of each year the bonds are outstanding, beginning January 1, 1978.

Both interest and principal will be payable at the Corporate Trust Division of the United California Bank in Los Angeles and San Francisco, California, or, at the option of the holder, at the principal offices of the paying agents of the Authority in Chicago, Illinois, and New York City, New York.

REDEMPTION PROVISIONS

Except as provided in the following paragraph, the \$250,000 of bonds maturing on or before July 1, 1987, will not be subject to call for redemption prior to their maturity dates. The \$950,000 of bonds maturing on and after July 1, 1988 are subject to call for redemption, at the option of the Authority, as a whole or in part in inverse order of maturity and by lot within a single maturity on any interest payment date on or after July 1, 1987.

SCHEDULE OF MATURITIES

Year	Principal Maturing	Year	Principal Maturing
1979	\$20,000	1995	\$60,000
1980-83	25,000	1996	65,000
1984-85	30,000	1997	70,000
1986-87	35,000	1998	75,000
1988-89	40,000	1999	80,000
1990-91	45,000	2000	85,000
1992	50,000	2001	90,000
1993-94	55,000	2002	95,000

In the event of loss of, or substantial damage to, or condemnation of the project which renders it unusable, all or any of the bonds may be redeemed at any time. If less than all of the outstanding bonds are to be redeemed under these circumstances, the Trustee will select for redemption a principal amount within each maturity so as to provide for as nearly equal annual bond service as possible on the bonds which will remain outstanding and will select bonds for redemption from within each maturity by lot.

The bonds will be callable at an amount equal to their par value plus accrued interest and a premium equal to one-quarter of one percent for each year or intervening portion of a year between the redemption date and the maturity date of each bond, but not to exceed five percent. The maximum premium payable upon the call of bonds for redemption on July 1, 1987, would be three and three-quarters percent.

NOTICE OF REDEMPTION

Notice of redemption is to be published in a financial newspaper or financial journal, published in the City of New York at least 30 days but not more than 60 days prior to the redemption date, unless all of the outstanding bonds are registered. The Trustee is required to give written notice to the owners of any registered bonds.

REGISTRATION

The bonds will be issued as coupon bonds which will be exchangeable for fully registered bonds. Fully registered bonds may thereafter be exchanged for coupon bonds subject to the provisions of Resolution No. 2 of the Authority.

LEGAL OPINION

The unqualified opinion of O'Melveny & Myers, Los Angeles, California, bond counsel for the Simi Valley Civic Center Authority, attesting to the validity of the bonds will be supplied free of charge to the original purchasers of the bonds. A copy of the legal opinion, certified by the official in whose office the original is filed, will be printed on each bond without charge to the successful bidder.

Bond counsel's review of this Official Statement has been limited to the statements of law and legal conclusions set forth under the heading "The Bonds". Bond counsel's employment is limited to a review of the legal procedures required for the authorization of the ground lease and sublease described below and of the bonds and to rendering an opinion as to the validity of the bonds and the exemption of interest on the bonds from income taxation. The opinion of bond counsel will not consider or extend to any documents, representations, offering circulars or other material of any kind concerning the bonds including portions of this Official Statement not mentioned in this paragraph.

TAX EXEMPT STATUS

In the opinion of bond counsel, the interest on the bonds is exempt from income taxes of the United States of America under present Federal income tax laws and such interest is also exempt from personal income taxes of the State of California under present state income tax laws.

ELIGIBILITY AS SECURITY FOR PUBLIC FUNDS

In the opinion of bond counsel, the bonds are eligible to secure deposits of public funds in banks in the State of California.

ELIGIBILITY FOR NATIONAL BANKS

A request will be made to the Comptroller of the Currency for a ruling that the bonds are eligible for purchase, dealing in, underwriting and unlimited holding by national banks. An answer is expected prior to the date of the sale of the bonds.

PURPOSE OF ISSUE

The proceeds from the sale of the bonds will be used for the acquisition, construction and financing of an administration building which will be located within the Civic Center. The proposed construction is more fully described in this Official Statement under the heading "The Project".

SECURITY

The first eight months' interest on the bonds is payable from bond proceeds. Thereafter bond interest and principal are secured by a pledge of the annual base rental payments to be made by the City under the terms of a lease of the project known as the Administrative Facilities Sublease which is summarized below. The sublease requires the City to take such action as is necessary to budget for and maintain funds to pay the rentals due under the lease.

The City of Simi Valley has never levied an ad valorem tax since its incorporation in 1969. Under the provisions of the Revenue and Taxation Code of the State of California commencing with Section 2201, the City may levy a tax rate of up to one dollar per \$100 of assessed valuation for general City purposes. A tax rate of one dollar per \$100 assessed valuation on the 1976/77 assessed valuation would produce a secured tax levy of \$2,029,699 and a total levy, including unsecured taxes, of \$2,097,126.

ANTICIPATED SOURCE OF FUNDS

It is expected that a portion of the funds to meet base rental payments will be derived from rentals payable by the State of California under the terms of a lease of a portion of the project from the City for use by the State Employment Development Department. The lease agreement has been executed by the City and the State but the State may withdraw from the agreement if the project is not ready for occupancy by January 1, 1978.

The lease has a stated term of 15 years but the State has the option of cancelling it after seven years. It provides for the State to pay the City monthly rentals of \$5,340 each during the first seven years and \$5,817 each during the remaining eight years.

However, the payments to be received by the City from the State are not pledged toward the payments the City is obligated to make to the Authority under the City Facilities Sublease. These payments are a year to year obligation of the General Fund of the City and one to be met from any available revenues, including the proceeds of ad valorem taxes, if any, which may be levied by the City in the future.

GROUND LEASE AND SUBLEASE

The site of the project will be leased by the City to the Authority for a single lump sum payment of one dollar under the terms of the Simi Valley Administration Facilities Ground Lease dated July 1, 1977. The ground lease will terminate on July 8, 2012, or one week after the Simi Valley Administration Facilities Sublease, described below, whichever is sooner.

The site, together with the improvements to be financed by the Authority, will be leased back to the City under the terms of the Simi Valley Administration Facili-

ties Sublease dated July 1, 1977. The sublease will terminate on July 1, 2012, or when payment, or provision for payment, of the bonds issued by the Authority to finance the improvements has been made.

The sublease provides that the City will pay the Authority annually, in advance, a base rental which will be due July 1 and payable July 15 of each year, except that the first lease payment will be made March 1, 1978, or upon completion of construction, whichever is later, and will be prorated.

The annual base rental for the project will be fixed after the interest rates on the bonds have been determined and will be in an amount sufficient to meet the actual annual bond service.

Under the sublease the City is required to provide for the operation and maintenance of the project at no expense to the Authority and, to the extent interest earnings and other income of the Authority are insufficient for the purpose, to pay to the Authority as additional rent the amount necessary to cover administrative and other expenses incurred by the Authority in conjunction with the city facilities and to maintain a balance of \$1,000 in the Working Capital Fund which is described below.

The sublease provides for the maintenance of insurance against fire and other perils ordinarily defined as extended coverage, public liability and property damage, plus such insurance as is required by the resolution of the Authority providing for the issuance of the bonds.

In the event of destruction of all or a part of these facilities, the Authority has the option to use the insurance proceeds to rebuild the structures or to terminate the lease and redeem the bonds. However, if the insurance proceeds are sufficient to meet the costs of rebuilding and the debt service during reconstruction the Authority requires the consent of the District to terminate the lease. The proceeds of any award in the event of condemnation will be used to redeem the bonds.

On May 9, 1977, the City Council adopted Ordinance No. 295, approving the sublease and establishing a maximum annual base rental of \$123,000. The Authority approved the sublease as to form on May 31, 1977. It will give final approval to the sublease, including the actual amount of the base rental, following the sale, but prior to the delivery, of the bonds.

CREATION OF SPECIAL FUNDS

The resolution providing for the issuance of the bonds requires the establishment of separate special funds, all to be held and administered by the Trustee. The funds to be created, together with their sources and uses, are listed in the tabulation on the following page.

SPECIAL FUNDS

Fund	Source	Use
Construction Fund	Bond Proceeds	Construction, balance to Reserve Fund, remaining balance to Revenue Fund
Revenue Fund	Rental Payments	Transfers to Interest, Retirement, and other required funds
Interest Fund	Bond Proceeds and Revenue Fund	Bond interest
Retirement Fund	Revenue Fund	Bond principal and interest
Reserve Fund	Bond Proceeds and Revenue Fund	Bond principal and interest
Working Capital Fund	Bond Proceeds and Revenue Fund	Authority administrative and miscellaneous expense
Operation and Maintenance Fund	Revenue Fund	All costs of Project operation if operated by Authority
Redemption Fund	Any Authorized Source	For call of bonds ahead of maturity

DISPOSITION OF BOND PROCEEDS

The resolution provides that the proceeds from the sale of the bonds (except for any premium or accrued interest which will be placed in the Interest Fund) shall be deposited in the Construction Fund and will be allocated as follows:

1. To the Reserve Fund an amount equal to one-half of the annual base rental.
2. To the Interest Fund an amount which, together with any premium and accrued interest, will equal the first eight months' interest on the bonds.
3. To the Working Capital Fund an amount of \$1,000 which is to be maintained as working capital.
4. The remainder to be retained in the Construction Fund to be used for the construction of the Administration Facilities, including incidental expenses.
5. Any balance in the Construction Fund upon completion of the project is to be transferred to the Reserve Fund to the extent necessary to bring the balance in the fund to an amount equal to one-half the annual base rental. Any remaining balance will be transferred to the Revenue Fund.

DEPOSIT AND APPLICATION OF REVENUES

Revenues of the Authority from the project, as defined in Resolution No. 2, are pledged to the payments of the debt service requirements of the bonds issued to finance the project. All revenues will be immediately deposited with the Trustee and will be placed in the Revenue Fund. All moneys in the Revenue Fund are to be set aside and deposited in separate special funds in the following order of priority and to be withdrawn from the special funds only for the purposes set forth.

1. INTEREST FUND - On or before March 31, 1978, the Trustee will deposit in the Interest Fund a sum sufficient, together with the balance then on hand, to pay the six months' interest becoming due on July 1, 1978, and thereafter on or before July 31 of each year beginning July 31, 1978, the Trustee will deposit a sum sufficient, together with the balance then on hand, to pay the twelve months' interest becoming due on the next January 1 and July 1.

Moneys in this fund are to be used solely for the purpose of paying the interest on the bonds.

2. RETIREMENT FUND - On or before July 31 of each year, commencing after the initial base rental payment has been made by the City, the Trustee shall deposit a sum which, together with the balance then on hand in the fund, will be sufficient to pay the principal becoming due on the next July 1.

Moneys in this fund are to be used solely for the purpose of paying the principal of the bonds.

3. RESERVE FUND - Under the terms of the resolution, a bond reserve fund equal to one-half of the annual base rental will be created from the proceeds of the sale of the bonds and held by the Trustee. The fund is to be used solely to pay bond principal and interest in the event no other funds are available for that purpose, and, whenever drawn upon, must be replenished. Money in the fund may be used to retire the last outstanding bonds of the issue. Any surplus in the Reserve Fund derived from any source, including interest on investments or bank deposits, may be transferred to the Construction Fund during the construction period and, following completion of the project, to the Revenue Fund.

4. WORKING CAPITAL FUND - Moneys in the Working Capital Fund are to be disbursed by the Trustee for payment of such items as taxes or assessments, if any, administrative costs of the Authority and insurance premiums in connection with the project. A sum of \$1,000 will be initially deposited into the fund and at least this amount must be maintained as working capital. If the moneys available to the Authority from other sources, such as income from the investment and deposit of the balances in the Interest, Retirement and Revenue Funds are insufficient for the purpose, the Trustee is required to bill the City for additional rental and the City is obligated to pay such additional rental under the terms of the sublease.

5. OPERATION AND MAINTENANCE FUND - The City will operate the facilities.

However, if at any time the Authority is required to operate the project, as a result of default by the City, the Trustee is required to deposit in the Operation and Maintenance Fund all amounts which will be required to pay for the maintenance and operation of the project. Money in the fund can only be disbursed by the Trustee on request by the Authority.

All moneys in the Revenue Fund on August 1 of each year, on and after August 1, 1978, provided that such moneys are not required for the above purposes, or to meet future debt service, shall be used by the Trustee, at the direction of the Authority, to reimburse the City for any rental previously paid, for additions or improvements to the project or for the purchase or redemption of bonds.

ADDITIONAL BONDS

The Authority, in Section 6.15 of Resolution No. 2, covenants that no additional indebtedness with a priority over the bonds authorized by the resolution may be created. Additional bonds may be issued on a parity with the currently offered issue, subject to conditions including the following.

1. The additional bonds must be authorized and used to finance completion or expansion of the leased facilities and must be declared, by a supplemental resolution, to be necessary for that purpose.
2. The Authority must be in compliance with all covenants of the Resolution No. 3.
3. The additional bonds must be equally and ratably secured with all other bonds issued under the Resolution.
4. The Authority must have entered into a sublease or revised sublease with the City in which the City obligates itself to increase the base rental under the sublease to an amount sufficient to provide for the payment of the additional principal and interest.
5. The Reserve Fund must be increased from the proceeds of the additional bonds and/or the first full year's payment of base rental under the revised sublease by an amount equal to one-half of the increased annual base rental.
6. There must be placed in the Interest Fund an amount equal to the interest which will become due on the additional bonds prior to the time the first full year's payment of base rental or increased base rental under the sublease or revised sublease is scheduled to become due, less the amount of any pro-rata payment of base rental which will be available to pay interest on the additional bonds after making the required transfer to the Reserve Fund, if construction is completed in the time provided in the construction contract.

7. Prior to the issuance of additional bonds, the Authority must file with the Trustee a supplemental resolution and certain other documents specified in the Resolution.

The Resolution provides that if refunding bonds are to be issued by the Authority to refund only a portion of the bonds, the City must obligate itself to make annual base rental payments sufficient for the Authority to meet the annual debt service on the bonds which will be outstanding after the refunding, and, further, a reserve fund equal to one-half the revised annual base rental must be maintained.

INSURANCE PROVISIONS

In Resolution No. 2, the Authority covenants that the following insurance protection will be maintained if available on the open market from reputable companies:

1. Policies of insurance:
 - (a) against loss or damage to the project resulting from fire, lightning, and other perils ordinarily defined as "extended coverage" in amounts, if available, of not less than the full insurable value of the project or the amount of the outstanding bonds used to finance the project, whichever is less;
 - (b) insurance against earthquakes, in an amount equal to either the full insurable value of the property, or the amount of the outstanding bonds, whichever is less, subject to a deductible amount of not more than ten percent of the face value of the insurance.
 - (c) against loss or damage from sprinkler system leakage;
 - (d) against explosion of steam boilers and similar pressure vessels;
 - (e) against war risks, as and when obtainable, in an amount equal to not less than 80 percent of the full insurable value of the facility.
2. Use and occupancy or rental interruption insurance against all the above-mentioned perils in an amount of not less than one year's base rental.
3. Public liability insurance of not less than \$250,000 per person and \$1,000,000 per any one accident and property damage insurance of at least \$50,000.
4. Workmen's compensation for all persons employed in connection with the project.

INVESTMENT OF FUNDS

The resolution requires that money in any fund must be held by the Trustee in time or demand deposits, secured in the manner required by law for public deposits, or invested subject to the provision that the money will not be invested in such a manner as to cause the bonds to be arbitrage bonds.

Money in the Construction Fund, the Interest Fund and the Retirement Fund may be invested only in securities which will be mature at or prior to the time the money must be paid out.

Money in the Reserve Fund may be invested only in securities which will be mature at or prior to the final maturity date of the bonds.

OTHER COVENANTS

Resolution No. 2 contains certain additional covenants by the Authority under which it agrees:

1. To punctually pay bond principal and interest as they become due.
2. Not to mortgage, encumber, sell, lease, place a charge on or otherwise dispose of the project or the revenues therefrom and not to enter into any agreement which impairs the operation of the project or otherwise impairs the rights of the bondholders with respect to the revenues or operation without making an adequate provision to protect the rights of bondholders.
3. To construct and complete the project in conformity with the construction contracts.
4. To pay, discharge, or contest any lawful claims and any taxes, assessments, or other governmental charges upon the project or upon the revenues which might impair the security of the bonds for the project.
5. That the Trustee annually, within 120 days after the end of each fiscal year, will file detailed certified audits covering the operation of the Authority in connection with the project, showing revenues, expenses, insurance in force, and the status of each fund.
6. To maintain or cause the leased facilities and equipment to be maintained.
7. To take whatever action is necessary to cause the City to budget and appropriate funds for the rental payments as provided under the sublease.

8. If for any reason the Authority should operate the project, to fix, prescribe and collect charges which will be sufficient, together with all other income of the Authority, to pay bond principal and interest when due, to pay all project operation, maintenance and repair expenses and to maintain the special funds provided for in the resolution.
9. Not to consent to alteration of the lease except as may be necessary for the issuance of additional bonds pursuant to the resolution, unless the Trustee determines it will not adversely affect the rights of the holders of bonds secured by the lease, or unless consent to the alteration is obtained from the holders of 60 percent of the outstanding bonds.

REMEDIES UPON DEFAULT

The resolution provides that any of the following will constitute an event of default:

1. Failure to pay any bond principal, interest or premium when due, either at maturity or by call for prior redemption.
2. Failure to correct any other default under the covenants, agreements or conditions set forth in the resolution, for a period of 60 days after notice of such default has been given the Authority by the Trustee or by the holders of at least 25 percent of the outstanding principal amount of bonds.
3. Failure to bring suit against the City within 30 days if the City does not budget, appropriate or pay the rent due under the sublease.
4. Any court shall assume custody or control of the Authority, or of a substantial part of its assets, under the provisions of any bankruptcy law, and such custody or control has not been terminated within 60 days after being assumed.

The resolution provides that, except as noted below, if any of these events of default occurs, all of the outstanding bond principal and all accrued interest will become due and payable upon notice to that effect being given the Authority by the Trustee or by the holders of at least a majority of the outstanding principal amount of the bonds.

Resolution No. 2 also provides that the bondholders have the right of mandamus or other appropriate remedies to compel the performance of the duties and responsibilities imposed by the resolution. However, the effect of any such remedies may be limited by the laws of the State of California affecting such remedies and may also be limited by laws governing bankruptcy, insolvency or other matters affecting the enforcement of creditors' rights, including such laws as may relate to the enforcement of creditors' rights against California public agencies.

SUPPLEMENTAL RESOLUTIONS

The Authority and the Trustee may enter into supplemental resolutions and agreements to cure any defect in the original resolution providing for the issuance of the bonds, to grant additional rights to the Trustee for the benefit of the bondholders and to provide for the issuance of additional bonds, without the consent of the bondholders.

With the consent of the holders of 60 percent of the bonds, exclusive of bonds owned by the Authority or the City, the Authority and the Trustee may execute supplemental resolutions and agreements amending any of the terms of the original resolution except that no such amendment may (1) extend the maturity date of bond principal or interest or reduce the amount of bond principal or interest without the consent of the holder of the affected bond, or (2) reduce the principal amount of bonds required for consent to such supplemental resolutions.

THE PROJECT

The proceeds from the sale of the bonds will be used to finance the construction of an administration building which will be the first unit in the City's Civic-Cultural Center.

THE CIVIC-CULTURAL CENTER

The City owns 42 acres of land which is acquired as the site for a civic and cultural center. A Master Plan for the development of the Center has been drawn up by the architectural firm of Kurt Myers & Associates, Los Angeles.

The Master Plan, which is designed for final implementation by the time the City reaches a population of 110,000 to 120,000, envisions the development of a complex of public and commercial facilities. City facilities would include a city hall, police building and senior citizens center. Other public buildings would include a County library and courthouse and offices of the State and Federal government. Proposed commercial facilities are a restaurant and shopping center. A non-profit theatre is also proposed.

It is expected that the library will be financed by the Authority and leased to the County. However, there will be no parity between the bonds to finance the library and the bonds currently being offered, since each will be secured by a pledge of revenues due under a separate lease.

ADMINISTRATION FACILITIES

The administration facilities will consist of an administrative building, vehicular parking, landscaping and other appurtenances. The project was designed by Kurt Myer & Associates.

The administration building will be a single-story structure which will contain a total of 16,000 square feet. The City will initially sublease approximately 9,500 square feet to the State of California for an office of the Employment Development Department. The balance of the space will be occupied by City offices. Due to the expected continuing population growth of the City, plans call for the entire building to be occupied by City offices at the time the State lease expires.

ENVIRONMENTAL CONSIDERATIONS

The project is subject to the provisions of the California Environmental Quality Act commencing with Section 21000 of the Public Resources Code. Pursuant to the Act a hearing was held on the project and a Notice of Determination with respect to the Civic/Cultural Center was filed with the Ventura County Clerk on June 3, 1977. Under the Act a challenge to the findings may be made within 30 days of the filing of the Notice of Determination. Such a challenge could delay the project to the extent that the Authority could not deliver the bonds within the 60 days following the receipt of bids provided for in the Notice Inviting Bids. Furthermore, if such a challenge were upheld it could result in a major modification or abandonment of the project. However, it may be noted that no objections to the project were raised at the hearing on the Environmental Impact Report.

ESTIMATED PROJECT COSTS

Construction of the administrative facilities will be carried out under four construction contracts. Bids for three of the contracts were received on May 20, 1977. The successful bidders were as follows:

Site Preparation: Rasmussen Construction, Lancaster California: \$48,000;

General Contract (building and appurtenances): Viola Construction, Oxnard, California: \$832,000;

Landscaping: Crest Landscaping, Simi Valley: \$34,200.

The contract for site preparation has been let by the City Council with the proviso that the City will be reimbursed for the construction costs from the proceeds of the 1977 Administration Facilities Lease Revenue Bonds. On May 31, 1977, the Authority declared its intent to award construction contracts to the other two successful bidders upon receipt of bond proceeds.

It is expected that bids for the fourth contract, involving the installation of approximately 1,040 linear feet of 14-inch pipeline across the Civic/Cultural Center site to the Administration Facilities site will be received on July 1, 1977.

Table 1 summarizes the estimated costs of the project, including prices specified in the lowest responsive bids received on May 20, 1977. Although the funded interest and reserve fund amounts are based on an estimated interest rate of six and one-half percent, the contingency allowance is estimated to be sufficient to cover these requirements if the actual interest rate were seven percent, and also to provide for anticipated change orders under the construction contracts.

Table 1
SIMI VALLEY CIVIC CENTER AUTHORITY
Estimated Administration Building Project Costs

Site preparation	\$ 48,000
General contract	832,000
Landscaping	34,200
Water line	22,000
Contingencies	49,600
Architecture, engineering and testing	<u>81,400</u>
Subtotal	\$1,067,200
Funded interest	52,000
Reserve fund	50,000
Costs of issuance	<u>38,000</u>
Total	\$1,200,000

ESTIMATED ANNUAL BOND SERVICE

Table 2 shows a schedule of estimated annual bond service requirements for the \$1,200,000 of 1977 Administration Facilities Lease Revenue Bonds.

Table 2
SIMI VALLEY CIVIC CENTER AUTHORITY
1977 ADMINISTRATION FACILITIES LEASE REVENUE BONDS
Estimated Annual Bond Service

Year	Principal Outstanding	Interest Estimated @ 6½%	Principal Maturing	Total Bond Service
1978	\$1,200,000	\$ 78,000	\$ --	\$ 78,000
1979	1,200,000	78,000	20,000	98,000
1980	1,180,000	76,700	25,000	101,700
1981	1,155,000	75,075	25,000	100,075
1982	1,130,000	73,450	25,000	98,450
1983	1,105,000	71,825	25,000	96,825
1984	1,080,000	70,200	30,000	100,200
1985	1,050,000	68,250	30,000	98,250
1986	1,020,000	66,300	35,000	101,300
1987	985,000	64,025	35,000	99,025
1988	950,000	61,750	40,000 (1)	101,750
1989	910,000	59,150	40,000 (1)	99,150
1990	870,000	56,550	45,000 (1)	101,550
1991	825,000	56,625	45,000 (1)	98,625
1992	780,000	50,700	50,000 (1)	100,700
1993	730,000	47,450	55,000 (1)	102,450
1994	675,000	43,875	55,000 (1)	98,875
1995	620,000	40,300	60,000 (1)	100,300
1996	560,000	36,400	65,000 (1)	101,400
1997	495,000	32,175	70,000 (1)	102,175
1998	425,000	27,625	75,000 (1)	102,625
1999	350,000	22,750	80,000 (1)	102,750
2000	270,000	17,550	85,000 (1)	102,550
2001	185,000	12,025	90,000 (1)	102,025
2002	95,000	6,175	95,000 (1)	101,175
		\$1,289,925	\$1,200,000	\$2,489,925

(1) Callable on and after July 1, 1987

FINANCIAL DATA

As previously noted, the City of Simi Valley has never levied an ad valorem tax. However, taxes are levied on the assessed valuation of land and improvements by the Simi Valley Lighting Maintenance District, which covers 99.88 percent of the taxable assessed valuation of the City, and by the Simi Valley County Sanitation District, which covers all of the City plus some adjacent unincorporated territory. Both of these special districts are governed by the City Council of the City of Simi Valley.

The City utilizes the facilities of Ventura County for the assessment and collection of the Lighting Maintenance and Sanitation District taxes. Although the City has no plans to levy an ad valorem tax, City taxes would be assessed and collected in the same manner.

Taxes are collected at the same time and on the same rolls as county and school district taxes.

Property is assessed as of March 31 of each year. The assessed valuations are established by the Ventura County Assessor, except for utility property, which is assessed by the State Board of Equalization. According to the State Board of Equalization, Ventura County assessed valuations for the 1976/77 fiscal year averaged 27.3 percent of full cash value, except for utility property which is reportedly assessed at 25 percent of the average state-wide value.

Taxes are collected by the Ventura County Tax Collector and are apportioned by the County Auditor Controller. Taxes on secured property, including utility property, are payable in two installments, on November 1 and February 1 in each fiscal year and become delinquent on December 10 and April 10, respectively. Taxes on unsecured property are assessed on March 1 and become delinquent in the next fiscal year on August 1.

ASSESSED VALUATIONS

California law provides for two types of exemptions from ad valorem taxes (\$1,750 of the assessed valuation of owner occupied dwellings and 50 percent of the assessed valuations of business inventories) which do not result in any loss of revenues to local taxing agencies since an amount equivalent to the taxes which would have been payable on such exempt property is reimbursed by the State.

The tabulation on the following page shows the 1976/77 assessed valuation of the City before and after giving effect to these exemptions.

CITY OF SIMI VALLEY
1976/77 Assessed Valuations

	Net Assessed Valuations	Homeowners' And Business Inventory Exemptions	Assessed Valuation For Revenue Purposes
Secured	\$169,792,802	\$25,995,625	\$195,788,427
Utility	7,178,270	160	7,178,430
Unsecured	<u>5,406,625</u>	<u>1,339,166</u>	<u>6,745,791</u>
Total	\$182,377,697	\$27,334,951	\$209,712,648

The growth in the assessed valuation of the City, before deduction of homeowners' and business inventory exemptions, which has occurred since its incorporation is shown in the following tabulation. The assessed valuation for the first year did not include unsecured property since, as noted above, unsecured property is assessed in the fiscal year prior to the one in which taxes are collected on such property.

CITY OF SIMI VALLEY
Growth in Assessed Valuations (1)

Fiscal	Secured	Utility	Unsecured	Total
1970/71	\$105,980,512	\$4,800,710	\$ --	\$110,781,222
1971/72	119,805,314	5,076,290	4,747,786	129,629,390
1972/73	130,348,127	5,637,510	4,022,041	140,007,678
1973/74	139,580,286	5,605,310	4,303,122	149,488,718
1974/75	152,000,727	5,860,230	5,460,830	163,321,787
1975/76	160,060,776	6,367,030	4,955,414	171,383,220
1976/77	195,788,427	7,178,430	6,745,791	209,712,648

(1) Before deduction of homeowners' and business inventory exemptions.

TAX RATES

The largest tax rate area in the City is Tax Rate Area 09006. It has a 1976/77 assessed valuation, before deduction of homeowners' and business inventory exemptions, of \$47,387,403, which makes up 22.6 percent of the City total. Following are the tax rates which are applicable to this tax rate area during the 1976/77 fiscal year.

TAX RATE AREA 09006

1976/77 Tax Rates Per \$100 Assessed Valuation

County General Fund	\$ 2.7387
County Library	.1846
County Fire Protection	.8102
County Flood Control and Zone 3	.2949
Schools (including County Superintendent of Schools)	5.5083
Special Districts	<u>1.0994</u>
Total All Rolls	\$10.6361
Ventura County Sanitation District (1)	.0650 (2)
Simi Valley County Sanitation District	.5000 (2)
Simi Valley Lighting Maintenance District	.2238 (2)

- (1) County-wide agency formed to develop regional water quality control systems.
(2) Land and improvements only.
-

TAX LEVIES AND DELINQUENCIES

Since the City has never levied an ad valorem tax, there is no history of tax delinquencies for the City itself. However, an indication of the tax collection history within the City is provided by the Simi Valley Lighting Maintenance District which is located entirely within the City and includes all but 0.12 percent of the applicable 1976/77 assessed valuation of the City (i.e. land and improvements).

The tabulation of the following page presents a five-year summary of the total secured taxes levied by the Lighting Maintenance District and the amounts collected as of June 30 of each year.

SIMI VALLEY LIGHTING MAINTENANCE DISTRICT
Secured Tax Levies and Collections

Fiscal Year	Total Current Tax Levy	Amount Collected			Percentage of Current Levy	
		Current Taxes	Prior Year Taxes	Total	Current Collections	Total Collections
1971/72	\$218,721	\$212,630	\$ 3,784	\$216,414	97.22%	98.95%
1972/73	245,552	239,076	6,350	245,426	97.36	99.49
1973/74	275,882	270,347	3,654	274,001	97.99	99.32
1974/75	451,335	434,895	4,568	439,463	96.36	97.37
1975/76	365,803 (1)	360,382	20,287	380,669	98.52	104.06

(1) The District reduced its 1975/76 tax rate to \$.2238 per \$100 assessed valuation from the \$.2904 rate levied during the preceding fiscal year.

EMPLOYEE RETIREMENT

All full-time City employees are covered under the Public Employees Retirement System of the State of California. The City currently contributes an amount equal to 8.75 percent of general employee wages and 15.50 of public safety employee earnings. The City's contribution for general employees is expected to increase to 9.83 percent effective July 1, 1977. Employee contributions currently equal seven percent of general employee wages and nine percent for safety employees.

The Public Employees Retirement System of the State of California is funded by employer and employee contributions together with investment income. Contributions fluctuate yearly depending on the number of members and their respective salary schedules. The System's financial statements are prepared on an accrual basis of accounting and the System's auditor is Coopers & Lybrand, Sacramento, California. Citicorp Investment Management, Inc., San Francisco, provides investment advisory services. The System's actuarial activities are conducted internally on a continuous basis, with an experience analysis being conducted no less than every four years.

Total assets of the System at June 30, 1975 were \$7,010,807,246, according to the Annual Report of the State Controller. Of this amount, net assets of \$6,966,356,482 were available for benefits. Comparable figures for June 30, 1974 were \$6,233,968,821 and \$6,204,166,779, respectively. The unfunded obligation of the System was determined to be \$5,723,459,587 at June 30, 1975 by the independent auditors. This re-

flects the present value of future state contributions and other member contributions. The total unfunded obligation does not take into account the provisions of Chapter 187, Statutes of 1975, which prescribed a new increased contribution rate by the state with respect to state miscellaneous members.

The amount of the respective unfunded liabilities will vary from time to time, depending upon the actuarial assumptions utilized, rates of return and salary scales. The present System policy is designed to satisfy the unfunded obligation by the year 2000.

BALANCE SHEETS

Table 3 shows a comparison of the City's assets, liabilities and fund balances as of June 30, 1975 and 1976, as reported in annual financial statements certified by Haskins & Sells, Certified Public Accountants, Oxnard, California. Prior to July 1, 1972, the City prepared its financial statements on a modified accrual basis. Effective July 1, 1972, the City elected to prepare its financial statements on the cash basis. Preparation of financial statements on the modified accrual basis is in conformity with generally accepted accounting principals whereas preparation of financial statements on a cash basis is not in conformity with generally accepted accounting principles. The City, however, considers the cash basis method of preparing its financial statements more meaningful because it facilitates the comparison of the financial statements with its budget, which has been historically prepared on a cash basis.

REVENUES, EXPENSES AND FUND BALANCES

Tables 4A, 4B, 4C present summaries of the City's revenues, expenses and fund balances over the five-year period ended June 30, 1976. The summaries were derived from annual audit reports prepared by Haskins & Sells, the City's independent certified public accountant.

DIRECT AND OVERLAPPING BONDED DEBT

The City of Simi Valley has no direct general obligation debt. However, the City has issued \$773,182.35 of bonds under the Improvement Bond Act of 1915 to evidence unpaid assessments in City Assessment District No. 1. The first maturity of the bonds will be July 2, 1977. In the event of delinquencies by propertyowners in the payment of their assessments the City is obligated to advance an amount equal to such delinquencies to the Bond Redemption Fund and, if necessary, to levy a tax of up to ten cents per \$100 assessed valuation to provide funds for the purpose.

Table 5 shows a summary of the overlapping debt of the City as of June 27, 1977.

TABLE 3
CITY OF SIMI VALLEY
Comparative Balance Sheets - All Funds (1)
June 30, 1975 and 1976

	June 30, 1975				June 30, 1976			
	General Fund And General Fixed Assets	Special Assessment Funds	Other Funds	Total	General Fund And General Fixed Assets	Special Assessment Funds	Other Funds	Total
<u>ASSETS</u>								
Current Assets:								
Cash overdraft (2)	\$ (416,776)	\$	\$	\$ (416,776)	\$ (472,968)	\$	\$	\$ (472,968)
Cash on hand	700			700	700			700
Investments (3)	1,475,012	38,275	\$880,534	2,393,821	1,956,388	98,783	766,381	2,821,552
Assessments receivable (4)						2,901		2,901
Due from other funds	<u>5,639</u>			<u>5,639</u>	<u>941</u>			<u>941</u>
Total Current Assets	\$1,064,575	\$38,275	\$880,534	\$1,983,384	\$1,485,061	\$ 101,684	\$766,381	\$2,353,126
Non-Current Assets:								
Construction in progress (5)						1,947,500		1,947,500
Assessments receivable (4)						752,868		752,868
Unamortized bond discount and issuance costs (6)						14,192		14,192
General Fixed Assets (7)	<u>1,234,919</u>			<u>1,234,919</u>	<u>1,515,427</u>			<u>1,515,427</u>
Total Assets	\$2,299,494	\$38,275	\$880,534	\$3,218,303	\$3,000,488	\$2,816,244	\$766,381	\$6,583,113

LIABILITIES AND FUND BALANCES

Current Liabilities:								
Withholdings	\$ 5,173	\$	\$ 5,173	\$ 8,445	\$	\$ 8,445		
Trust deposits			276,090	276,090		280,006	280,006	
Due to general fund			5,639	5,639		941	941	
Total Current Liabilities	\$ 5,173	\$	\$281,729	\$ 286,902	\$ 8,445	\$	\$280,947	\$ 289,392
Assessment Obligations (4)						767,966		767,966
Fund Balances	1,059,402	38,275	598,805	1,696,482	1,476,616	100,778	485,434	2,062,828
General Fixed Assets	1,234,919			1,234,919	1,515,427			1,515,427
Construction in progress						1,947,500		1,947,500
TOTAL LIABILITIES AND FUND BALANCES	\$2,299,494	\$38,275	\$880,534	\$3,218,303	\$3,000,488	\$2,816,244	\$766,381	\$6,583,113

- (1) The City maintains its accounting records on the cash basis as discussed in the preceeding text.
- (2) The City used the proceeds from short-term investments maturing shortly after June 30, 1975 and June 30, 1976 to cover the cash overdrafts in the General Fund.
- (3) Recorded at cost. Primarily Certificates of Deposit.
- (4) Assessment District No. 1 was formed during fiscal year 1975/76 to finance certain street improvements. Assessments receivable represent amounts assessed as of June 30, 1976, whereas Assessment Obligations represent debt issued to provide a means of paying for the street improvements on a current basis.
- (5) Recorded at cost. Consists of street improvements for Assessment District No. 1.
- (6) Computed under the "interest" method over the life of the respective debt.
- (7) General fixed assets are capitalized at cost or at fair market value in the case of gifts and contributions. The City currently makes no allowance for the depreciation of its general fixed assets.

Table 4A
CITY OF SIMI VALLEY
General Fund Revenues, Expenses and Fund Balances

Fiscal Year:	1971/72 (1)	1972/73	1973/74	1974/75	1975/76
Beginning Fund Balances	\$ 971,138	\$1,291,044	\$1,639,761	\$1,793,887	\$2,294,321
REVENUES:					
Sales and use taxes	\$ 550,935	\$ 645,908	\$ 774,506	\$ 911,180	\$1,013,196
Other taxes	156,417	170,352	166,005	196,813	251,574
Licenses and permits	452,731	440,599	298,655	298,606	573,253
Fines & penalties	78,941	92,519	98,894	126,975	123,625
From use of money & property	33,415	50,333	80,342	98,215	91,379
From other agencies	762,034	1,129,198	1,152,219	1,244,190	1,482,193
Current service charges	43,863	60,982	57,513	62,848	116,083
Interfund transfers	222,231	262,997	629,395	531,278	760,161
Other revenue	33,749	82,750	65,654	88,751	76,354
Total Revenues	<u>\$2,334,316</u>	<u>\$2,935,638</u>	<u>\$3,323,183</u>	<u>\$3,558,856</u>	<u>\$4,487,818</u>
EXPENSES					
Employee salaries & benefits	\$1,151,496	\$1,498,240	\$2,002,747	\$2,384,740	\$2,882,625
Outside services	517,536	566,528	558,312	241,796	322,755
Other operating expenses	344,896	429,888	537,922	584,393	682,176
Special projects & studies		82,724	13,001		56,094
Interfund transfers			30,750	1,139	20,000
Miscellaneous expenses	262	440	24,673	26,141	1,906
Capital outlays	394,077	229,854	221,187	53,683	105,048
Total Expenses	<u>\$2,408,267</u>	<u>\$2,807,674</u>	<u>\$3,388,592</u>	<u>\$3,291,892</u>	<u>\$4,070,604</u>
Net Revenues (Expenses)	\$ (73,951)	\$ 127,964	\$ (65,409)	\$ 266,964	\$ 417,214
Additions to General Fixed Assets (2)	393,857	220,753	219,535	233,470	280,508
Ending Fund Balances	\$1,291,044	\$1,639,761	\$1,793,887	\$2,294,321	\$2,992,043

- (1) Fund balances for fiscal year 1971/72 have been restated to reflect the City's decision to change its method of accounting from the modified accrual basis to the cash basis.
- (2) "Additions to General Fixed Assets" represents the aggregate of capital outlays for all funds less adjustments, as applicable.

Table 4B
CITY OF SIMI VALLEY
Special Assessment Fund Revenues, Expenses and Fund Balances

Fiscal Year:	1971/72 (1)	1972/73	1973/74	1974/75	1975/76
Beginning Fund Balances	\$ 106,490	\$ 192,705	\$ 173,054	\$ 18,205	\$ 38,275
REVENUES:					
Property taxes	\$ 237,458	\$ 270,827	\$ 238,302	\$ 435,505	\$ 402,322
Sale of bonds					786,318
Transfers from other funds					1,149,253
Other income	4,337	9,015	4,104	4,629	34,164
Total Revenues	\$ 241,795	\$ 279,842	\$ 242,406	\$ 440,134	\$2,372,057
EXPENSES					
Utilities	\$ 133,554	\$ 196,887	\$ 315,148	\$ 376,095	\$ 328,915
Lighting installations		73,313	65,107	26,969	
Transfers to other funds	17,000	17,000	17,000	17,000	22,000
Construction in progress					1,947,500
Other expenses	5,026	12,293			26,493
Total Expenses	\$ 155,580	\$ 299,493	\$ 397,255	\$ 420,064	\$2,324,908
Net Revenues (Expenses)	\$ 86,215	\$ (19,651)	\$ (154,849)	\$ 20,070	\$ 47,149
Fund Balance Adjustment					15,354 (2)
Ending Fund Balances	\$ 192,705	\$ 173,054	\$ 18,205	\$ 38,275	\$ 100,778 (3)

(1) Fund balances for fiscal year 1971/72 have been restated to reflect the City's decision to change its method of accounting from the modified accrual basis to the cash basis.

(2) Bond discount and issuance costs to be amortized over the life of the debt using the "interest" method.

(3) Excludes construction in progress: \$1,947,500.

Table 4C

CITY OF SIMI VALLEY

Revenues, Expenses and Fund Balances of Other Funds

Fiscal Year:	1971/72 (1)	1972/73	1973/74	1974/75	1975/76
Beginning Fund Balances	\$ 635,084	\$ 445,382	\$ 826,084	\$ 490,796	\$ 598,805
REVENUES:					
Taxes	\$ 532,693	\$ 556,628	\$ 926,829	\$1,024,381	\$1,087,275
Grants		511,744	284,245	531,769	548,340
Transfers from other funds			657,691	414,287	406,500
Other income	27,487	31,558	216,139	127,895	69,563
Total Revenues	\$ 560,180	\$1,099,930	\$2,084,904	\$2,098,332	\$2,111,678
EXPENSES:					
Capital improvements	533,696	\$ 473,231	\$1,171,505	\$ 969,543	\$ 628,417
Transfers to other funds	205,231	245,997	1,225,167	924,508	1,404,934
Other expenses	10,955		23,520	96,273	191,698
Total Expenses	\$ 749,882	\$ 719,228	\$2,420,192	\$1,990,323	\$2,225,049
Net Revenues (Expenses)	\$ (189,702)	\$ 380,702	\$ (335,288)	\$ 108,009	\$ (113,371)
Ending Fund Balances	\$ 445,382	\$ 826,084	\$ 490,796	\$ 598,805	\$ 485,434

(1) Fund balances for fiscal year 1971/72 have been restated to reflect the City's decision to change its method of accounting from the modified accrual basis to the cash basis.

(2) Excludes construction in progress: \$1,947,500.

Table 5
CITY OF SIMI VALLEY
Statement of Estimated Overlapping Debt

Population	71,500 (1)	
1976/77 Assessed Valuation	\$209,712,648	
Estimated Market Value	\$770,597,000 (2)	
ESTIMATED OVERLAPPING BONDED DEBT	Debt Applicable June 27, 1977 (3)	
	<u>Percentage</u>	<u>Amount</u>
Metropolitan Water District of Southern California	0.466%	\$ 2,498,878
Calleguas Municipal Water District	25.515	3,825,974
Ventura County Flood Control District Zone 3	27.458	4,335,618
Ventura Community College District	10.909	632,722
Simi Valley Unified School District	81.190	7,193,434
Moorpark Union School District and Moorpark Memorial Union High School District	0.043-0.031	199
Simi Valley Recreation and Parks District	81.565	773,236
Protection Districts	99.134-100.000	1,935,356
Ventura County Waterworks District No. 8 and Various Zones	9.352-100.000	<u>1,963,726</u>
Total Overlapping Bonded Debt		\$23,159,143
Less: Self-Supporting County Waterworks District Bonds		<u>1,524,142</u>
Net Overlapping Bonded Debt		\$21,635,001

	<u>Ratio to</u>		
	<u>Assessed Valuation</u>	<u>Estimated Market Value</u>	<u>Per Capita</u>
Assessed Valuation	--%	--%	\$2,933
Gross Overlapping Debt	11.04	3.01	324
Net Overlapping Debt	10.32	2.81	303

- (1) January 1977 estimate by the State Department of Finance.
- (2) The State Board of Equalization reports that 1976/77 Ventura County assessed valuations averaged 27.3 percent of market value, except for utility property which is assessed by the State at a reported state-wide average of 25 percent.
- (3) Excludes sales, if any, between May 23, 1977 and June 27, 1977. Also excludes 1915 Act bonds totalling \$12,780,075, revenue bonds and \$7,724,822 share of bonds secured by leases of property to Ventura County (including the bonds currently offered for sale).

THE CITY

The City of Simi Valley is located in southeastern Ventura County, 40 miles northwest of downtown Los Angeles and adjacent to the San Fernando Valley. It covers an area of 20 miles.

MUNICIPAL GOVERNMENT

The City of Simi Valley was incorporated in 1969. It operates under the council-manager form of government.

The City Council is composed of five members who are elected at large to overlapping four-year terms at elections held every two years. The mayor is selected by the Council from among its members.

All City functions are carried out under the direction of the city manager, who is appointed by the City Council.

The City Manager, Richard Malcolm, was appointed in March 1974. Prior to that he was City Manager of the City of Claremont, California from 1957 through 1964; Scottsdale, Arizona in 1964 and 1965; and San Marino, California from 1965 to 1971. He served as Chief Deputy Director of the State of California Department of Social Welfare from 1971 through 1973. He holds a B.A. degree in government from Pomona College, California and an M.A. degree in public administration from Wayne University, Indiana. He is a member of the International City Managers Association and the American Society of Public Administrators.

The City's financial operations are under the control of Loron Cox, the Director of General Services. Mr. Cox joined the City in 1970, shortly after its incorporation, as an administrative assistant. He was later promoted to senior administrative assistant and then was appointed to his present post in 1973. Following his graduation from Youngstown University (Ohio) in 1966 with a B.S. degree in accounting, he was employed as an accountant by the B. F. Goodrich Co. until he was inducted into the U. S. Army. He was employed by General Motors Corp. as an accountant from 1967 to 1969 and later in 1969 by Aetna Life & Casualty Co. as a sales representative. He is a member of the International City Managers Association and the Municipal Finance Officers Association.

The City Attorney, Verne Lindell, was appointed in 1971. He has been in the practice of municipal law since receiving his law degree from Willamette University, Oregon, in 1967. He served as Assistant City Attorney for the Cities of Santa Ana and Inglewood, California from 1967 to 1969 and from 1969 to 1970, re-

spectively, and was City Attorney of the City of Corona, California in 1970 and 1971. He received his B.A. degree from Whittier College, California, in 1958.

POPULATION

The population of the Simi Valley increased rapidly during the decade between 1960 and 1970 as the area grew as a residential community for the neighboring San Fernando Valley and Ventura County commercial and industrial areas.

The following tabulation shows the population growth of Simi Valley.

SIMI VALLEY Population Growth	
Year	Population
1940	3,400 (1)
1950	4,860 (1)
1960	12,120 (1)
1970	56,464 (1)
1977	71,500 (2)
(1) Federal Census.	
(2) January estimate by State Department of Finance.	

A special census conducted by the State Department of Finance in January of 1975 showed that the population was composed of the following age groups.

CITY OF SIMI VALLEY
Distribution of Population by Age Group

Age	Male	Female	Unknown	Total	Percentage
0-19	16,563	16,053	18	32,634	47.20%
20-29	4,474	5,429	2	9,905	14.32
30-39	6,041	6,204	3	12,248	17.71
40-49	4,088	3,478	2	7,568	10.95
50-59	2,094	1,843	1	3,938	5.70
60-64	474	501	--	975	1.41
Over 65	773	1,073	--	1,846	2.67
Unknown	<u>13</u>	<u>1</u>	<u>17</u>	<u>31</u>	<u>0.04</u>
Total	34,520	34,582	43	69,145	100.00%

HOUSING CHARACTERISTICS

The tabulation below shows the housing characteristics within the City as indicated by the January 1975 special census mentioned above.

CITY OF SIMI VALLEY
Housing Characteristics

Type Of Housing	Housing Units	Vacant Units	No. Of Households	Population Per Household
One Unit	17,032	478 (1)	16,554	3.97
2-4 Units	599	94 (2)	505	2.45
Over 5 Units	<u>321</u>	<u>27 (3)</u>	<u>294</u>	2.61
Subtotal	17,952	599	17,353	3.90
Mobile Homes	663	13	650	2.03
Motel	<u>1</u>	<u>-</u>	<u>1</u>	<u>2.00</u>
Total	18,616	612	18,004	3.83

- (1) Includes 82 under construction
(2) Includes 65 under construction
(3) Includes 18 under construction

The Simi Valley Chamber of Commerce reported in March 1977 that the average selling price of existing homes in Simi Valley was \$46,000. Monthly rents for 3 and 4 bedroom homes were reported as ranging between \$325 and \$450.

COMMERCIAL ACTIVITY

The population growth within the Simi Valley has been accompanied by the construction of new commercial facilities. There are at present two large district shopping centers, five neighborhood centers and numerous convenience centers.

An application has been approved by the City of Simi Valley Planning Commission for a planned development permit for an additional shopping center of 219,000 square feet including a 70,000 square foot department store and professional office space.

The tabulation on the following page summarizes the growth in taxable transactions within the City of Simi Valley since 1970, the first year following incorporation, as reported by the State Board of Equalization.

BUILDING ACTIVITY

The population and commercial growth in the City has resulted in a high level of building activity. Since July 1970, building permits with a total value of nearly \$153,000,000 have been issued by the City of Simi Valley Building Department. The valuations of permits issued since July 1970 are summarized on page 37.

CITY OF SIMI VALLEY

Summary of Taxable Transactions (in thousands)

Year:	1970	1971	1972	1973	1974	1975	1976
Apparel stores	\$ 1,464	\$ 1,504	\$ 1,439	\$ 1,570	\$ 1,873	\$ 2,661	\$ 2,746
General merchandise stores	9,285	10,198	11,205	11,200	12,074	10,505	12,816
Drug stores	3,020	3,256	2,868	2,815	3,086	3,296	3,505
Food stores	8,153	8,862	10,741	11,640	18,219	21,867	23,870
Packaged liquor stores	1,370	1,625	1,957	1,814	2,232	2,494	2,396
Eating and drinking places	3,329	3,645	4,734	5,444	7,030	8,319	10,143
Home furnishings and appliances	1,862	2,052	2,633	2,875	3,080	3,265	4,195
Building materials and farm implements	2,854	3,070	3,462	4,660	5,782	6,188	7,559
Auto dealers and supplies	6,056	6,099	6,605	6,179	5,556	6,282	10,411
Service stations (1)	843	838	4,235	8,565	11,100	12,599	13,069
Other retail outlets	<u>3,129</u>	<u>3,988</u>	<u>4,137</u>	<u>5,407</u>	<u>5,389</u>	<u>5,025</u>	<u>5,624</u>
Total Retail Outlets	\$41,365	\$45,137	\$54,016	\$62,169	\$75,421	\$82,501	\$ 96,334
Total All Other Outlets	<u>3,925</u>	<u>4,792</u>	<u>5,568</u>	<u>6,317</u>	<u>6,588</u>	<u>7,209</u>	<u>9,072</u>
Total All Outlets	\$45,290	\$49,929	\$59,584	\$68,486	\$82,009	\$89,710	\$105,406

(1) Sales of gasoline first became taxable on July 1, 1973.

Source: State Board of Equalization.

CITY OF SIMI VALLEY
Building Permits and Valuations

Fiscal Year:	1970/71	1971/72	1972/73	1973/74	1974/75	1975/76	1976/77 (1)
Single Family Residential							
Permits	650	895	457	158	221	458	466
Valuations	\$15,230,915	\$20,312,644	\$10,834,915	\$ 4,218,813	\$ 7,984,743	\$18,005,262	\$19,688,732
Multiple Dwellings							
Permits	25	42	68	48	25	56	88
Valuations	\$ 1,031,430	\$ 2,962,219	\$ 3,129,196	\$ 2,953,942	\$ 1,257,522	\$ 4,114,388	\$ 4,553,221
Non-Residential Construction							
Permits	34	21	44	26	24	67	97
Valuations	\$ 2,188,739	\$ 919,485	\$ 5,669,384	\$ 1,202,223	\$ 2,682,369	\$ 1,973,956	\$ 5,324,246
Other							
Permits	1,017	1,021	1,148	1,151	1,266	1,361	1,074
Valuations	\$ 1,551,256	\$ 1,747,865	\$ 2,339,187	\$ 2,199,754	\$ 2,694,592	\$ 3,246,059	\$ 2,921,142
TOTALS							
Permits	1,726	1,979	1,717	1,383	1,536	1,942	1,725
Valuations	\$20,002,340	\$25,942,213	\$21,972,682	\$10,574,732	\$14,619,226	\$27,339,665	\$32,487,341

(1) First ten months' only.

Source: County of Ventura Building and Safety Division.

INDUSTRY

The two largest industries in the area are Atomics International and the Rocketdyne Division of Rockwell International Corp., both of which employ approximately 500. Atomics International produces nuclear generators. The Rocketdyne facility is engaged in rocket engine testing. Leading industries in the City include Travelin' West Textiles, Inc. which employs 45 persons; Indice Sportswear and Scribner's Electronics each employ 40 persons in contract sewing and production of printed circuit boards, respectively; and Big Three Industries which employs 26 persons for liquid gas processing.

EMPLOYMENT

In addition to the manufacturing industries listed above, other significant employers in the Simi Valley are the Simi Valley Unified School District, with 1,062 employees; the Simi Valley Adventist Hospital, with 327; Simi Valley Doctor's Hospital, 150; Pacific Telephone, 229; a Gemco department store, 200; the City of Simi Valley, 169; and a K-Mart store with 100 employees.

The following tabulation shows 1974 employment data for the Simi Valley as compiled by the State Employment Development Department.

SIMI VALLEY 1974 Employment Data

Agriculture	294
Construction	1,789
Manufacturing	8,280
Transportation, Communication and Utilities	1,347
Retail and Wholesale Trade	4,948
Finance, Real Estate and Insurance	1,078
Services	3,014
Government	<u>3,700</u>
Total	<u>24,450</u>

The 1975 special census showed that a great preponderance of the residents of the City work outside the Simi Valley, with 62.2 percent of those employed commuting to jobs in Los Angeles County (primarily to the San Fernando Valley). The following tabulation shows the places of employment reported to the 1975 special census.

CITY OF SIMI VALLEY
Places of Employment

Area	<u>Primary Wage Earner</u>		<u>Secondary Wage Earner</u>	
	Number	Percent (1)	Number	Percent (1)
Within Simi Valley	2,417	16.1%	2,155	39.7%
Elsewhere in County	1,284	8.6	760	14.0
Los Angeles County	10,232	68.2	2,482	45.8
Others	<u>1,080</u>	<u>7.1</u>	<u>28</u>	<u>0.5</u>
Subtotal	15,013	100.0%	5,425	100.0%
Retired	1,505	--	--	
None	--	--	11,259	
Unknown	<u>1,486</u>	<u>--</u>	<u>1,320</u>	
Total	18,004	100.0%	18,004	

(1) Percentage of known employed

The special census also showed the types of work in which the primary and secondary wage earners are employed, as noted in the tabulation on the following page.

CITY OF SIMI VALLEY
Occupations of Wage Earners

Type	Primary Wage Earner		Secondary Wage Earner	
	Number	Percent (1)	Number	Percent (1)
Professional, technical and related	3,876	25.4%	1,115	20.3%
Farmer and farm manager	117	0.8	30	0.5
Other management	2,140	14.0	344	6.2
Clerical	785	5.1	1,778	32.3
Sales	1,173	7.8	440	8.0
Craftsman, foreman and equipment operator	3,901	25.5	635	11.5
Laborer	1,413	9.2	438	8.0
Service worker	<u>1,875</u>	<u>12.2</u>	<u>726</u>	<u>13.2</u>
Subtotal	15,280	100.0%	5,506	100.0%
Retired	1,505		--	
None	--		11,272	
Unknown	<u>1,219</u>		<u>1,226</u>	
Total	18,004		18,004	

(1) Percentage of known employed

FAMILY INCOME

The special census showed 1974 family incomes within the City to be as shown in the tabulation on the following page. It may be noted that a large majority (65.6 percent) of the families responding reported annual incomes of \$12,000 or more.

CITY OF SIMI VALLEY
1974 Family Income

Amount	Number	Percent (1)
Under \$4,000	588	4.3%
\$4,000-6,000	560	4.1
\$6,000-8,000	718	5.2
\$8,000-10,000	1,091	7.9
\$10,000-12,000	1,781	12.9
\$12,000-15,000	3,048	22.1
\$15,000-20,000	3,449	25.0
\$20,000-25,000	1,676	12.2
Over \$25,000	861	6.3
Subtotal	13,772	100.0%
Unknown	4,232	
Total	18,004	

(1) Percentage of valid responses

BANKING

The City is served by a number of financial institutions, both banks and savings and loan organizations: Bank of A. Levy (2 branches); Bank of America NT&SA (2 branches); Security Pacific National Bank (2 branches); United California Bank; San Fernando Valley Federal Savings and Loan; Southern California Savings and Loan; and Valley Federal Savings and Loan.

TRANSPORTATION

The Simi Valley is served by or is located near a variety of land, sea and air transportation facilities. The City operates a local bus service. Rail service is provided by the Southern Pacific's main line between Los Angeles and San Francisco. Eleven major trucking companies serve the Simi Valley.

Air transportation is available from Hughes Airwest at the Ventura County Airport in Oxnard, 30 miles to the northwest. The Los Angeles International Airport is approximately 50 miles to the south.

About 30 miles to the east is Port Hueneme, providing a deep water harbor with bulk loading facilities. Many major shipping lines regularly call at the port.

The City is traversed by the Simi Valley Freeway (State Route 118) providing ready access to the San Fernando Valley.

UTILITIES

Electric power is furnished to the City by the Southern California Edison Company. Natural gas is supplied by the Southern California Gas Company. Telephone service is provided by the Pacific Telephone Company.

The Southern California Water Company and the Ventura County Waterworks District Number 8 provide water service, obtaining their supplies from the Calleguas Municipal Water District, a member agency of the Metropolitan Water District of Southern California. The Simi Valley County Sanitation District provides sewerage service in most of the populated areas. Sewer lines are being extended to the City areas still served by individual septic systems.

EDUCATION

Virtually the entire City is within the Simi Valley Unified School District, which operates 24 elementary, 4 junior high, 2 high schools and a continuation school, plus special schools for the deaf and handicapped.

Average daily attendance for the preceeding five fiscal years, plus the 1976/77 fiscal year through March 25, as reported by the school district, is shown in the tabulation on the following page.

SIMI VALLEY UNIFIED SCHOOL DISTRICT
Average Daily Attendance

Year	Elementary	Junior High	High	Total
1971/72	14,113	3,705	6,169	23,987
1972/73	14,166	3,699	6,625	24,490
1973/74	14,348	4,040	8,231	26,619
1974/75	13,108	5,816	4,586	23,510
1975/76	12,647	5,928	4,597	23,172
1976/77 (1)	13,033	6,028	8,598	27,659

(1) As of March 25, 1977.

The Ventura County Community College District operates Moorpark College in the neighboring community of Moorpark. The school is a community college offering two-year programs leading either to terminal degrees in technical fields or entrance to a four-year college at the third year level, plus adult education courses. Fall term enrollment has been as follows:

MOORPARK COLLEGE
Fall Term Enrollment

Year:	1971	1972	1973	1974	1975	1976
Day	3,890	4,498	4,732	5,434	5,818	4,858
Evening	<u>2,263</u>	<u>3,195</u>	<u>3,727</u>	<u>4,766</u>	<u>5,084</u>	<u>4,465</u>
Total	6,153	7,693	8,459	10,200	10,902	9,323

COMMUNITY FACILITIES

Two local newspapers serve the City and major Los Angeles newspapers, television and radio are available. There are 42 churches representing most denominations.

77 02228

U.C. BERKELEY LIBRARIES



C123320716

INSTITUTE OF GOVERNMENTAL STUDIES LIBRARY
109 PHILOSOPHY HALL
UNIVERSITY OF CALIFORNIA
BERKELEY, CA 94720

